

Indiana Department of Revenue Interest Rates

Interest is assessed on amounts due to the Indiana Department of Revenue which are not timely paid (delinquency payments.) Interest is paid on certain overpayments/refunds. A two-rate interest system was established in 1995, and is based on the average investment yield on state money for the state's previous fiscal year, rounded to the nearest whole number. That rate would determine the amount paid in interest for an overpayment/refund. For a late payment of tax (delinquency payment), the interest would be calculated in the same manner, and then two percentage points would be added to that rate.

The following table shows the interest rates used from tax year 1950 through 2003.

Year	Overpayments/ Refunds	Delinquency Payments
1950 – 1977	6%	6%
1978 – 1980	8%	8%
1981	12%	12%
1982	17%	17%
1983	13%	13%
1984 – 1985	12%	12%
1986	10%	10%
1987	8%	8%
1988	9%	9%
1989 – 1991	10%	10%
1992	8%	8%
1993 – 1994	7%	7%
1995	4%	6%
1996 – 2000	5%	7%
2001 – 2002	6%	8%
2003 –	4%	6%